

House File 2406 - Introduced

HOUSE FILE 2406
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO HSB 621)

A BILL FOR

1 An Act concerning live dog racing at pari-mutuel dog
2 racetracks, simultaneously telecast wagering, establishing
3 fees, and including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. **99D.9A Dog racetrack licensure —**
2 **fees.**

3 1. Upon at least fourteen days' written notification to the
4 commission, a licensee authorized to operate a pari-mutuel dog
5 racetrack and to conduct gambling games pursuant to section
6 99F.6 as of January 1, 2014, may, upon agreement to comply with
7 the requirements of this section, discontinue performances of
8 live dog races at the racetrack and maintain a license under
9 this chapter for purposes of permitting pari-mutuel wagering
10 on simultaneously telecast horse races and for purposes of
11 conducting gambling games.

12 2. Upon written notification and discontinuance of live dog
13 racing by a licensee, all of the following shall occur:

14 *a.* The commission shall determine what portion of the
15 unexpended moneys in the dog racing promotion fund created
16 in section 99D.12 is attributable to the licensee that has
17 discontinued live racing and shall transfer those moneys to the
18 Iowa greyhound pari-mutuel racing retirement fund created in
19 section 99D.9B.

20 *b.* Any agreement approved by the commission for dog purse
21 supplement payments for live racing that was discontinued by
22 the licensee shall be terminated.

23 *c.* The commission, the licensee of the pari-mutuel dog
24 racetrack located in Pottawattamie county, and the Iowa
25 greyhound association shall take all action necessary to
26 facilitate the transfer of unexpended funds in an escrow fund
27 created pursuant to a decision in December 1995 regarding
28 dog purse supplements at the racetrack to the commission for
29 deposit in the Iowa greyhound pari-mutuel racing retirement
30 fund created in section 99D.9B.

31 *d.* The licensee shall pay the live racing cessation fee as
32 provided by this section and shall continue to pay the annual
33 license fee and regulatory fee as a pari-mutuel dog racetrack
34 licensed to operate gambling games pursuant to the requirements
35 of section 99F.4A.

1 3. For purposes of this section, the live racing cessation
2 fee shall be paid to the commission for deposit in the Iowa
3 greyhound pari-mutuel racing retirement fund created in section
4 99D.9B, which fee shall be determined as follows:

5 a. For the pari-mutuel dog racetrack located in Dubuque
6 county, the payment of two million one hundred forty-two
7 thousand dollars within two weeks of the discontinuance of live
8 racing at the licensee, and two million one hundred forty-three
9 thousand dollars each July 1 for six consecutive calendar years
10 thereafter, commencing on July 1 of the calendar year following
11 the calendar year in which live racing was discontinued.

12 b. For the pari-mutuel dog racetrack located in
13 Pottawattamie county, the payment of seven million eight
14 hundred fifty-two thousand dollars within two weeks of the
15 discontinuance of live racing at the licensee, and seven
16 million eight hundred fifty-eight thousand dollars each July
17 1 for six consecutive calendar years thereafter, commencing
18 on July 1 of the calendar year following the calendar year in
19 which live racing was discontinued.

20 4. A licensee who discontinues live racing pursuant to
21 the requirements of this section shall remain licensed as a
22 pari-mutuel dog racetrack licensed to operate gambling games,
23 shall comply with the requirements of this chapter applicable
24 to a dog racetrack licensee except for those requirements
25 applicable to live racing, and shall be permitted, but not
26 required, to conduct pari-mutuel wagering on simultaneously
27 telecast horse races.

28 Sec. 2. NEW SECTION. 99D.9B Iowa greyhound pari-mutuel
29 racing retirement fund.

30 1. An Iowa greyhound pari-mutuel racing retirement fund is
31 created in the state treasury under the control of the racing
32 and gaming commission.

33 2. The fund shall consist of all of the following:

34 a. Moneys in the dog racing promotion fund created in
35 section 99D.12 that were deposited in those funds from a dog

1 racetrack licensee that discontinues scheduling performances of
2 live dog races pursuant to section 99D.9A.

3 **b.** Moneys representing greyhound racing escrow funds that
4 are transferred to the fund pursuant to the requirements of
5 section 99D.9A.

6 **c.** Moneys deposited in the fund from the live racing
7 cessation fee established in section 99D.9A.

8 **3.** Moneys in the fund shall be distributed by the
9 commission, in the sole discretion of the commission, to
10 eligible recipients in an expeditious manner pursuant to rules
11 adopted by the commission. The rules shall provide for the
12 determination of eligible recipients by the commission and may
13 require such documentation from eligible recipients as the
14 commission deems appropriate for the commission to determine
15 eligibility and the distribution of moneys in the fund to
16 eligible recipients. The commission may use moneys in the
17 fund to retain a consultant to assist the commission in the
18 development of a distribution plan to eligible recipients.
19 In determining the distribution of moneys in the fund to
20 eligible recipients, the commission may consider how long an
21 eligible recipient was involved in greyhound racing, whether
22 the eligible recipient is still involved in greyhound racing or
23 how recently the eligible recipient was involved in greyhound
24 racing, the eligible recipient's record concerning animal
25 welfare, the extent of the eligible recipient's involvement in
26 greyhound racing and whether the services provided were unique
27 to the greyhound industry or are services which are generally
28 provided regardless of the nature of the business, whether
29 the eligible recipient is located in the state, and any other
30 factors the commission deems appropriate. For purposes of this
31 section, "*eligible recipients*" means greyhound owners, greyhound
32 breeders, kennel operators, any persons involved in greyhound
33 racing in Iowa, and no-kill animal adoption agencies.

34 **4.** Section 8.33 does not apply to moneys in the fund.
35 Notwithstanding section 12C.7, subsection 2, interest or

1 earnings on moneys deposited in the fund shall be credited to
2 the fund.

3 5. The commission shall adopt rules to administer this
4 section. The commission may adopt rules on an emergency basis
5 as provided in sections 17A.4 and 17A.5 to administer this
6 section. Any emergency rules adopted in accordance with this
7 section shall also be published as a notice of intended action
8 as provided in section 17A.4.

9 Sec. 3. Section 99D.11, subsection 6, paragraph b, Code
10 2014, is amended to read as follows:

11 b. (1) The commission may authorize the licensee to
12 simultaneously telecast within the racetrack enclosure or
13 licensed premises, for the purpose of pari-mutuel wagering, a
14 horse ~~or dog~~ race licensed by the racing authority of another
15 state. It is the responsibility of each licensee to obtain
16 the consent of appropriate racing officials in other states as
17 required by the federal Interstate Horseracing Act of 1978,
18 15 U.S.C. § 3001 - 3007, to televise races for the purpose of
19 conducting pari-mutuel wagering.

20 (2) A licensee may also obtain the permission of a person
21 licensed by the commission to conduct horse ~~or dog~~ races in
22 this state to televise races conducted by that person for the
23 purpose of conducting pari-mutuel ~~racing~~ wagering. However,
24 arrangements made by a licensee to televise any race for
25 the purpose of conducting pari-mutuel wagering are subject
26 to the approval of the commission, and the commission shall
27 select the races to be televised. The races selected by the
28 commission shall be the same for all licensees approved by the
29 commission to televise races for the purpose of conducting
30 pari-mutuel wagering. The commission shall not authorize the
31 simultaneous telecast or televising of and a licensee shall
32 not simultaneously telecast or televise any horse ~~or dog~~ race
33 for the purpose of conducting pari-mutuel wagering unless the
34 simultaneous telecast or televising is done at the racetrack
35 of a licensee that schedules no less than sixty performances

1 of nine live races each day of the season or at the licensed
2 premises of a licensee that is not obligated to schedule
3 performances of live races pursuant to section 99D.9A.

4 (3) For purposes of the taxes imposed under this
5 chapter, races televised by a licensee for purposes of
6 pari-mutuel wagering shall be treated as if the races were
7 held at the racetrack or licensed premises of the licensee.
8 Notwithstanding any contrary provision in this chapter, the
9 commission may allow a licensee to adopt the same deductions
10 as those of the pari-mutuel racetrack from which the races are
11 being simultaneously telecast.

12 Sec. 4. Section 99D.15, subsection 4, Code 2014, is amended
13 to read as follows:

14 4. A tax of two percent is imposed on the gross sum
15 wagered by the pari-mutuel method on horse races ~~and dog~~
16 ~~races~~ which are simultaneously telecast. The tax imposed by
17 this subsection is in lieu of the taxes imposed pursuant to
18 subsection 1 ~~or 3~~, but the tax revenue from simulcast horse
19 races shall be distributed as provided in subsection 1 ~~and the~~
20 ~~tax revenue from simulcast dog races shall be distributed as~~
21 ~~provided in subsection 3.~~

22 Sec. 5. Section 99F.6, subsection 4, paragraph b, Code 2014,
23 is amended to read as follows:

24 b. (1) The commission shall authorize the licensees of
25 pari-mutuel dog racetracks located in Dubuque county ~~and Black~~
26 ~~Hawk county~~ to conduct gambling games as provided in section
27 99F.4A if the licensees schedule at least one hundred thirty
28 performances of twelve live races each day during a season of
29 twenty-five weeks. For the pari-mutuel dog racetrack located
30 in Pottawattamie county, the commission shall authorize the
31 licensee to conduct gambling games as provided in section
32 99F.4A if the licensee schedules at least two hundred ninety
33 performances of twelve live races each day during a season
34 of fifty weeks. The However, the requirement to schedule
35 performances of live races for purposes of conducting gambling

1 games under this chapter shall not apply to a licensee who is
 2 not obligated to schedule performances of live races pursuant
 3 to section 99D.9A.

4 (2) If a pari-mutuel dog racetrack is required to schedule
 5 performances of live races for purposes of conducting gambling
 6 games under this chapter, the commission shall approve an
 7 annual contract to be negotiated between the annual recipient
 8 of the dog racing promotion fund and each dog racetrack
 9 licensee to specify the percentage or amount of gambling
 10 game proceeds which shall be dedicated to supplement the
 11 purses of live dog races. The parties shall agree to a
 12 negotiation timetable to insure no interruption of business
 13 activity. If the parties fail to agree, the commission
 14 shall impose a timetable. If the two parties cannot reach
 15 agreement, each party shall select a representative and the
 16 two representatives shall select a third person to assist in
 17 negotiating an agreement. The two representatives may select
 18 the commission or one of its members to serve as the third
 19 party. Alternately, each party shall submit the name of the
 20 proposed third person to the commission who shall then select
 21 one of the two persons to serve as the third party. All
 22 ~~parties to the negotiations, including the commission, shall~~
 23 ~~consider that the dog racetracks were built to facilitate the~~
 24 ~~development and promotion of Iowa greyhound racing dogs in this~~
 25 ~~state and shall negotiate and decide accordingly.~~

26 Sec. 6. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
 27 immediate importance, takes effect upon enactment.

28 EXPLANATION

29 The inclusion of this explanation does not constitute agreement with
 30 the explanation's substance by the members of the general assembly.

31 This bill concerns the conduct of live dog racing at
 32 pari-mutuel dog racetracks authorized to conduct gambling
 33 games.

34 New Code section 99D.9A allows a licensee authorized to
 35 operate a pari-mutuel dog racetrack and to conduct gambling

1 games as of January 1, 2014, to, upon at least 14 days' written
2 notice to the racing and gaming commission, discontinue
3 performances of live dog races, and to maintain a license under
4 Code chapter 99D for purposes of permitting, but not requiring,
5 pari-mutuel wagering on simultaneously telecast horse races and
6 continuing to allow the licensee to conduct gambling games.
7 The bill provides that upon discontinuing live racing, the
8 racing and gaming commission shall transfer any unexpended
9 moneys in the dog racing promotion fund attributable to the
10 licensee discontinuing live dog racing to an Iowa greyhound
11 pari-mutuel racing retirement fund created in the bill. In
12 addition, upon discontinuing live racing, moneys from an
13 escrow fund for greyhound racing shall be transferred to the
14 new racing retirement fund and any agreement for dog purse
15 supplement payments for live racing shall be terminated. The
16 licensee, upon discontinuing live dog racing, shall commence
17 paying a new live racing cessation fee. The new Code section
18 sets the live racing cessation fee for the pari-mutuel dog
19 racetrack located in Dubuque county at \$2.142 million, payable
20 upon discontinuing live racing, and at \$2.143 million, payable
21 each July 1 for six calendar years thereafter. For the
22 pari-mutuel dog racetrack located in Pottawattamie county, the
23 annual dog racetrack licensure fee is set at \$7.852 million,
24 payable upon discontinuing live racing, and at \$7.858 million,
25 payable each July 1 for six calendar years thereafter. The
26 bill provides that a licensee discontinuing live racing shall
27 continue to pay the annual license fee and regulatory fee as a
28 pari-mutuel dog racetrack licensed to conduct gambling games
29 pursuant to the requirements of Code section 99F.4A.

30 New Code section 99D.9B establishes an Iowa greyhound
31 pari-mutuel racing retirement fund under the control of the
32 racing and gaming commission. The fund shall consist of moneys
33 transferred from the dog racing promotion fund, moneys credited
34 to the fund from a dog racetrack licensee that discontinues
35 live dog racing in an amount representing the remaining balance

1 of all dog purse supplement payments, moneys in greyhound
2 racing escrow funds, and moneys from the live racing cessation
3 fee established in new Code section 99D.9A. The bill provides
4 that moneys in the fund shall be distributed in a manner
5 determined by the racing and gaming commission to greyhound
6 owners, greyhound breeders, kennel operators, any persons
7 involved in greyhound racing in Iowa, and no-kill animal
8 adoption agencies.

9 Code section 99D.11(6)(b), concerning pari-mutuel wagering
10 on simultaneous telecasts of horse or dog races, is amended
11 to eliminate simultaneous telecast wagering on dog races and
12 to allow a simultaneous telecast of horse races at a licensee
13 in this state that is not obligated to schedule live dog
14 races pursuant to new Code section 99D.9A. Under current
15 law, simulcast telecasting of races can only be allowed at
16 a racetrack of a licensee that schedules no less than 60
17 performances of nine live races each day of the season.

18 Code section 99D.15 is amended to conform to the provisions
19 in the bill discontinuing simultaneous telecast wagering on dog
20 races.

21 Code section 99F.6(4)(b) is amended to allow the conduct
22 of gambling games at a pari-mutuel dog racetrack that is not
23 obligated to schedule performances of live races pursuant to
24 new Code section 99D.9A. In addition, if a pari-mutuel dog
25 racetrack conducts live dog races, the bill eliminates the
26 requirement that the determination of supplemental dog purses
27 shall consider that the dog racetracks were built to facilitate
28 greyhound racing.

29 The bill takes effect upon enactment.